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COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. PUE980628

AUBON WATER COMPANY,

Defendant

HEARING EXAMINER'S RULING

September 18, 2000

On May 26, 2000, the Commission entered an order that extended the date by which Aubon Water Company ("Aubon") must secure financing for construction of a certain water treatment facility from August 17, 2000, to December 31, 2000. The order further directed this Hearing Examiner to continue monitoring Aubon's compliance with the Commission's Order of Settlement in Case No. PUE980628.

By letter dated August 9, 2000, the Department of Health, Office of Water Programs ("VDH-OWP") advised the Commission that the Department of Health, Drinking Water State Revolving Fund Program had yet again denied Aubon's request for construction financing for the water treatment facility. In addition, VDH-OWP advised the Commission that Aubon had not yet submitted the final plans and specifications for the water treatment facility for approval.

The final plans and specifications should have been approved some time ago. All of the major issues relating to the final plans and specifications have been addressed. It appears that Aubon is not making a good faith effort to secure VDH-OWP approval of the final plans and specifications. I now find it appropriate to give Aubon a deadline by which it must submit its final plans and specifications to VDH-OWP. Failure to submit the final plans and specifications to VDH-OWP by the date specified in this Ruling may result in a recommendation to the Commission that Aubon be found in violation of the Commission's Order of Settlement in Case No. PUE980628. Pursuant to § 12.3-33 of the Code of Virginia, any person who fails or refuses to obey any order of the Commission may be fined a sum of \$1,000.00 per day for each day the person fails or refuses to obey the order. The Commission has been more than generous in permitting Aubon sufficient time to obtain approval of the final plans and specifications for the water treatment facility.

I further find that a hearing should be scheduled in the General District Courtroom, Franklin County Courthouse, Rocky Mount, Virginia, for the purpose of determining whether there is any possibility the water treatment facility may be constructed, or whether Aubon should be released from the requirements of the Commission's Order of Settlement, ordered to decrease its rates to the level recommended by the Staff in the

company's last rate hearing, and ordered to refund the monies in its escrow account. Accordingly,

IT IS DIRECTED THAT:

(1) Aubon shall, on or before October 6, 2000, submit the final plans and specifications for the water treatment facility to the VDH-OWP for approval; and

(2) A hearing is hereby scheduled for November 6, 2000, at 2:00 p.m. in the General District Courtroom, Franklin County Courthouse, 275 South Main Street, Rocky Mount, Virginia, for the purpose of receiving evidence whether there is any possibility the water treatment facility may be constructed, or whether Aubon should be released from the requirements of the Commission's Order of Settlement, ordered to decrease its rates to the level recommended by the Staff in the company's last rate case, and ordered to refund the monies in its escrow account.

Michael D. Thomas
Hearing Examiner